The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce



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The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce

⁼oreword

Earlier this year, we decided to capture how our member companies advance diversity and inclusion (D&I) at work, in their communities and in the patient populations they serve. The events of 2020 have brought into stark reality how these issues have far-reaching effects on the health and well-being of Americans. In the last several months, COVID-19 has disproportionately affected underserved communities due to longstanding inequities, particularly in our health care system. Our families and communities deserve better. That is why the biopharmaceutical industry is taking action to push forward on equity.

As a first step, earlier this year I signed the CEO Action Pledge, committing our organization to be a trusting place to have complex, and sometimes difficult, conversations about each other's experiences and perspectives. And while this report demonstrates that PhRMA and its members strongly believe that documenting and sharing best practices is a key step toward achieving these worthy goals, there is still much work to be done to increase D&I more broadly in corporate America.

In July, our member companies united with core Racial Justice Principles, acknowledging that systemic racism is as real as any disease, and that our industry is not immune. With this effort, our industry committed to:

- Open, honest and real conversations about racial equity and what it means to have a culture of inclusion
- Expanding opportunities to work and succeed in our industry
- Advancing policy solutions and research to better address health disparities
- Diversifying our business practices to better invest in Black and Brown America
- Earning trust and addressing systemic issues that deter Black and Brown communities from participating in clinical trials, so that people who want to participate, can

In November we also developed first-ever, industry-wide principles on increasing diversity in clinical trials. Diversity is critical to addressing COVID-19 and to innovation more broadly. With recent COVID-19 trials, we've made progress in ensuring those participating represent the patient population. We need to build off this momentum and continue these efforts in other disease areas. For instance, Asians, Latinos and Black Americans make up 35% of the type 2 diabetes patient population in the United States, but less than 20% of the available medicines for patients with this disease were studied in all three of these populations. We need to work harder to close these gaps, and the new principles are a step toward that goal.

These actions are part of a greater, years-long effort. It's clear the status quo needs to change. And we need to be part of that change. At PhRMA, we'll continue to address diversity and inclusion in our own organization and industry, and I hope this report will provide tangible examples of how you can cultivate talent and promote the full inclusion of excellence in your organization as well.

To follow along with this work, I encourage you to visit phrma.org/equity.

Stephen 9. Ung

Steve Ubl, President and Chief Executive Officer, PhRMA

The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce

Introduction

An expanding body of research and mounting evidence consistently finds that more diverse and inclusive workplaces see deeper employee commitment, higher levels of innovation, improved hiring quality, greater rates of employee retention, and increased profits.

Despite these benefits, there is a well-documented imbalance between the demographics of the United States' population and that of its corporate leadership and science, technology, engineering, and mathematics (STEM) workforce. In a nation that relies on technical talent to drive innovation and to compete globally, this lack of inclusion and engagement represents not only an economic concern, but also a societal challenge reflecting decades of structural inequalities related to race, gender, sexual orientation, age, ability and socioeconomic status.

A breadth of corporate initiatives and activities are underway to shine a light on these disparities and to enhance workplace diversity and inclusion (D&I, see box). Recognizing the importance and value of D&I, companies across industries are increasingly focused on ensuring that the United States' workforce and corporate leadership better represents its diverse population. However, data reveal that more is needed in terms of advancing D&I through intentional efforts to attract, develop, mentor, sponsor, and retain leaders. Building an inclusive work environment where everyone feels valued, finds common ground, and is provided a platform for shared experiences, is recognized as leading to more empowered employees who will then have the opportunity to express their talents and reach their full potential.

Companies recognize that diversity is essential to driving the innovation needed to fuel the U.S. economy. For example, more than 1,000 corporate executives across the country have signed the CEO Action for Diversity and Inclusion Pledge, a commitment to advance diversity and inclusion within the workplace by cultivating environments where diverse experiences and perspectives are welcomed and where employees feel comfortable and encouraged to discuss D&I.¹ A number of members of the Pharmaceutical Research and Manufacturers of America (PhRMA) have signed this pledge, including Bayer U.S., Biogen, Bristol Myers Squibb, Eli Lilly and Company, Genentech, Johnson & Johnson, Merck & Co., Pfizer, and Sanofi.

As PhRMA CEO Stephen Ubl commented upon signing this pledge, "PhRMA has a unique ability to highlight our members'

^{1 &}quot;CEO Action for Diversity and Inclusion." See: https://www.ceoaction.com/pledge/ceo-pledge/.

Core Concepts Related to Diversity & Inclusion

While there are many definitions and concepts around diversity and inclusion, for context, provided here are general meanings. Any individual company or organization may have varying definitions, but they are most often in line with those provided below.

- **Diversity** is often referred to as the quality or state of race/ethnicity, gender and identity, age, physical ability, and sexual orientation represented within a defined group.
- Inclusion generally refers to the practices that involve and empower individuals to participate, be recognized, and realize their potential.
- Diversity in the workplace often refers to cultivating talent and promoting the full inclusion of excellence across the social spectrum. This includes people from backgrounds that are traditionally underrepresented in areas such as the managerial, scientific and STEM workforce, as well as those from backgrounds that are traditionally well represented. Diversity refers to difference. Workforce diversity refers to cultivating talent and promoting the full inclusion of excellence across the social spectrum.
- Equality typically refers to treating everyone the same, and providing everyone with access to the same opportunities, status, and rights. In contrast with equity, equality is a ques tion of sameness rather than fairness.
- **Equity** commonly refers to the notion of fairness, justice, and proportional representation for the same opportunities. The term focuses on achieving fair outcomes for a given group, by designing processes that recognize the root causes of distinct challenges and addresses them in solutions.



diversity and inclusion efforts and to help our industry learn from each other on how to build stronger, more diverse workforces. This pledge shows our commitment to diversity and inclusion—both internally and in the biopharmaceutical industry—which are essential to unlocking the scientific challenges that lead to new medicines and to helping the patients we serve."

The focus of this report, sponsored by PhRMA, is to provide insight into the efforts of PhRMA member companies to advance D&I in the workplace, in the communities in which they operate, and in the patient populations they serve. PhRMA member companies were surveyed as part of this effort, in addition to extensive web research, to capture and highlight the range of activities and best practices these companies are leveraging to advance this mission.

While it is clear there is work to be done on the unfinished agenda of increasing D&I more broadly in corporate America, documenting and sharing best practices is an essential step toward achieving these worthy goals. This report intends to contribute in this manner. The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce

I. Setting the Context: Accelerating Demographic Changes and Persistent Workforce Disparities

Increasing Racial and Ethnic Diversity in the U.S. Population

Historical population trends and projected future dynamics reveal dramatic shifts in racial and ethnic diversity across the United States. From 1970 through 2018, non-Hispanic whites went from comprising 84% of the nation's population to 60% (Figure 1). The increasing diversity of younger generations will accelerate this trend, and by 2060 the share of non-Hispanic whites is expected to reach 44% of the national total. Meanwhile, the Hispanic

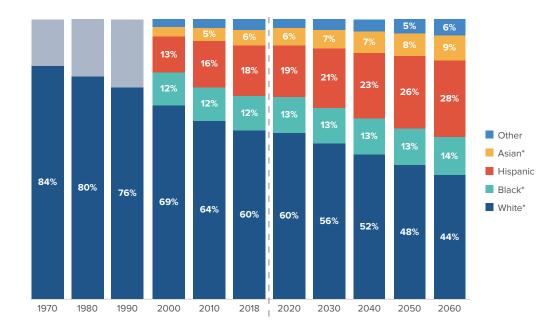


FIGURE 1: RACIAL AND ETHNIC COMPOSITION OF THE U.S. POPULATION, HISTORICAL TRENDS, AND PROJECTIONS (1970-2060)

Note: To improve comparability across different versions of the Census, only non-Hispanic Whites are displayed individually for 1970-1990. Data shown for 2020 forward are Census projections. *Represent those reporting one racial identification that do not report Hispanic origin.

Source: TEConomy Partners' analysis of U.S. Census Bureau, Population Division data.

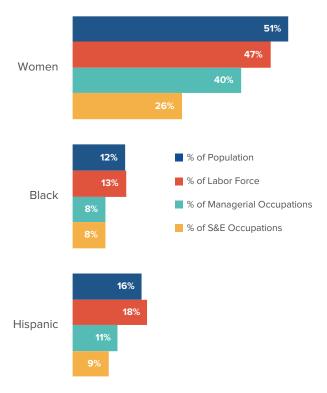
and Latinx population is expected to see the most population growth in the U.S. over the next four decades.

Underrepresentation Persists in Corporate Leadership and High-Demand STEM Roles²

While progress has been made in terms of increasing diversity and inclusion in the workplace, the reality is that women and people of color, especially Black and Latinx individuals, continue to be underrepresented in corporate leadership positions and STEM careers across industries. Women comprise 51% of the working-age population and 52% of the college-educated workforce but account for just 40% of managerial positions and 26% of science and engineering or STEM jobs (Figure 2). Although these shares have seen some increases in recent years, they remain well below the female percentage of the population and overall workforce.

The Black and Hispanic/Latinx populations are similarly underrepresented in managerial and high-demand STEM positions. In the U.S., just 8% of managers and STEM workers are Black, well below their 13% share of the overall workforce. For those of Hispanic ethnicity, rates of representation in corporate leadership and technical STEM positions are also significantly below their shares of the general population and workforce.

FIGURE 2: FEMALE, BLACK, AND HISPANIC INDIVIDUALS AGES 16 AND OVER AS SHARE OF U.S. POPULATION, WORKFORCE, AND SELECT OCCUPATIONAL GROUPS (2019)



Source: TEConomy Partners' analysis of U.S. Census Bureau population data; U.S. Bureau of Labor Statistics, Current Population Survey data.

Significant imbalances in the composition of corporate leadership and technical positions extend to disparities in earnings. Although women outnumber men at all levels of post-secondary education, they still earn less than their male peers—even when accounting for college majors and industry sectors.³ While there has been a modest improvement over time, many well-paying fields such as engineering and management remain predominantly male, whereas women have a higher representation in many lower-paying occupations.

² Throughout this report, the terms people/communities of color are used to refer to individuals identifying as Black, Hispanic/Latinx, Asian, Native American/Alaskan Native, Native Hawaiian/Pacific Islander, and as multiple races.

³ Georgetown University Center on Education and the Workforce, "Women Can't Win: Despite Making Educational Gains and Pursuing High-Wage Majors, Women Still Earn Less than Men," 2018.

A series of studies by Lean In and McKinsey provide important insight into the flows of the corporate talent pipeline for women and people of color.⁴ Through an extensive analysis of human resources and employee data, these studies shed light on where the disparities for women and employees of color in the workforce are widening. Figure 3 reproduces these highly illustrative findings by Lean In and McKinsey.

The study authors note that women have made some substantial progress, as

reflected by increased representation in the "C-Suite" where women's share has increased from 17% in 2015 to 21% in the most recent year.⁵ Despite these gains, women and especially women of color continue to be underrepresented across many organizations' highest levels. As more data are collected on underrepresentation in the workplace, particularly in leadership positions, companies have been using these data to inform the implementation of focused, intentional efforts to advance diversity and inclusion.

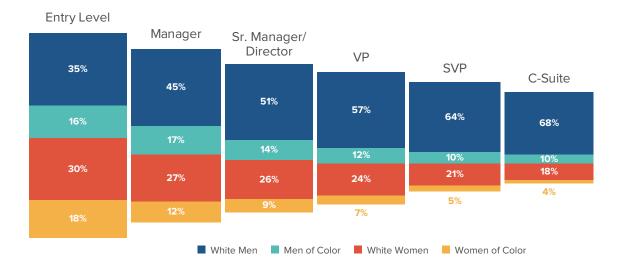


FIGURE 3: REPRESENTATION IN THE CORPORATE PIPELINE BY SEX AND RACE (2019)

Source: Adapted from LeanIn.org and McKinsey and Company, 2019. Totals may not sum to 100% due to rounding.

⁴ LeanIn.org and McKinsey and Company, "Women in the Workplace, 2019."

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II. The Value of Diversity and Inclusion in the Workplace

"We drive innovation when we all contribute to an inclusive culture that attracts a diverse group of the best and brightest talent and inspires everyone to freely contribute to their maximum potential and make a meaningful difference for patients every day." - Quita Highsmith, Chief Diversity Officer, Genentech

Businesses Benefit from Increased Diversity and Inclusion

Diverse corporate leadership is not only a moral imperative, but it also translates into more competitive businesses. This conclusion draws from an expanding body of research and mounting evidence that more diverse firms are also more financially successful. Because workers bring unique perspectives and lived experiences to their roles, they can add value by approaching problems and thinking about issues differently. As the following examples show, the "business case" for advancing D&I in the workplace is increasingly clear:

• Diverse teams outperform their peers: A 2018 McKinsey report finds that companies in the top quartile for gender diversity on their executive teams were 21% more likely to deliver above-average profitability. Similarly, companies with the most ethnically diverse executive teams were 33% more likely to outperform their peers.⁶

- Diversity is an integral part of successful innovation-driven businesses:
 A Boston Consulting Group study finds companies with more diverse management teams reported considerably higher revenues related to innovation than less diverse teams. This finding is significant for tech companies, startups, and research and development (R&D) intensive industries, such as biopharmaceuticals, where innovation is the key to growth.⁷
- D&I is vital to talent attraction: When considering whether to work for an

⁶ McKinsey & Company, "Delivering through Diversity," January 2018.

⁷ Boston Consulting Group, "How Diverse Leadership Teams Boost Innovation," January 23, 2018.

organization, a majority of millennials surveyed report that they place a "great deal" or "fair amount" of importance on the gender, ethnicity, age, and general range of backgrounds of employers' workforces.⁸

- Female-led teams can be more profitable: The Peterson Institute for International Economics finds companies with 30% of its leaders being female earn 6% more in profits than those without female leadership, indicating strong firm performance.⁹
- Diverse companies deliver strong results: Of 365 public companies analyzed by McKinsey, those in the top quartile for racial and ethnic diversity are 36% more likely to have financial returns above national industry medians.¹⁰ The study also finds that outperformance rates are increasing, and that the likelihood of outperformance is persistently higher for diversity in ethnicity compared to gender.

National Competitiveness Relies on Broadening Opportunity

In addition to the increasingly clear business case for workplace diversity, evidence suggests that without focused efforts to increase workforce diversity further, the United States' global competitiveness may continue to decline. Growing a more inclusive workforce, especially in areas such as corporate leadership and in STEM fields, is critical to the nation's economic success.

For example, a study by Harvard University economists finds that persistent inequality

in STEM fields could be hindering U.S. innovation, and in turn, limiting both widespread economic growth and broader shared prosperity.¹¹ The research shows that if more women, communities of color, and children from low-income families became inventors at the same rate as men from high-income families, innovation in the U.S. could increase as much as four times. Meanwhile, economists at Michigan State University and Claremont Graduate University found that if more women and Black students received post-graduate STEM training and worked in related jobs, GDP per capita would be 0.6% to 4.4% higher.¹²

Accelerating Industry Efforts to Promote Diversity and Inclusion

The number of corporate initiatives and strategies to promote diversity and inclusion has grown considerably in recent years due to the increased recognition of the economic and societal benefits stemming from a more diverse workforce. Three areas of focus for these efforts relate to advancing D&I in corporate boards, leadership positions, and other business roles.

Increasing the diversity of corporate

boards: Data on U.S. corporate board diversity for 2019 show that the percentage of women joining boards reached a new record high, with 45% of new board seats filled by women in 2019 (compared to only 12% in 2008).¹³ Similarly, ethnic diversity also reached record highs but has grown at a much slower pace, with approximately 10% of directors currently belonging to an underrepresented racial or ethnic group.

⁸ The Deloitte Global Millennial Survey 2019.

⁹ Marcus Noland, Tyler Moran, and Barbara Kotschwar, "Is Gender Diversity Profitable? Evidence from a Global Survey," Peterson Institute for International Economics, February 2016.

¹⁰ McKinsey & Company, "Diversity wins: How inclusion matters," May 2020.

¹¹ Alex Bell, Raj Chetty, Xavier Jaravel, Neviana Petkova, and John Van Reenen, "Who Becomes an Inventor in America? The Importance of Exposure to Innovation," 2019.

¹² Lisa Cook and Yanyan Yang, "Missing Women and Minorities: Implications for Innovation and Growth," January 2018.

¹³ Harvard Law School Forum on Corporate Governance, "U.S. Board Diversity Trends in 2019."

"Developing and bringing innovative, life-saving medicines to patients requires diverse thought and approaches. Bringing together experts from diverse backgrounds and thought is crucial to our ability to deliver today and into the future."

- Richard A. Gonzalez, Chairman & CEO, Abbvie

In comparison, 15% of new directors are racially or ethnically diverse.¹⁴

In an examination of the S&P 500 companies, just under one in four new S&P 500 directors (23%) are people of color (defined as Black, Asian or Hispanic/Latino), and women of color represent 10% of the incoming class, up slightly from 9% last year.¹⁵ While women and men of color constitute more than half of the new directors, low boardroom turnover impedes meaningful year-over-year change in the overall composition of S&P 500 boards. As a result, despite the record number of female directors, women's representation increased incrementally to 26% of all directors, up from 24% in 2018 and 16% in 2009.¹⁶

Directing executive-level positions to oversee D&I strategies: A recent study by Russell Reynolds Associates finds 47% of companies included on the S&P 500 index currently have a Chief Diversity Officer (CDO) or equivalent.¹⁷ A CDO is generally an executive-level position responsible not just for creating and implementing strategies for recruiting diverse and underrepresented candidates but also for leading efforts to collect data on D&I across the company, identifying and implementing D&I programs and initiatives, and supporting internal and external collaborations. The study also finds that nearly two-thirds (63%) of those CDOs have been appointed or promoted to their roles in the past three years.

Identifying and creating roles for additional D&I professionals: Beyond the S&P 500, the focus on D&I and the need for leadership professionals is showing up in rising job postings. Analysis of postings on Indeed found that as of early 2018, D&Irelated job postings as a share of all jobs posted were up 18% from 2017 and 35% higher than levels from 2 years prior.¹⁸

Although hiring dedicated executives focused on D&I and diversifying corporate boards are essential mechanisms, there are other key approaches to advancing D&I in the workplace and society more broadly. The following section explores the vast array of efforts undertaken by the biopharmaceutical industry to support D&I.

¹⁴ Ibid.

^{15 2019} U.S. Spencer Stuart Board Index.

¹⁶ Ibid.

¹⁷ Russell Reynolds Associates, "A Leader's Guide: Finding and Keeping Your Next Chief Diversity Officer," March 1, 2019.

¹⁸ Indeed Hiring Lab, "Diversity and Inclusion Jobs Grow Briskly," March 2018.

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III. The Biopharmaceutical Industry's Role in Advancing Diversity and Inclusion

Recognizing the benefits to their business and employees, the communities in which they operate, the patients they serve, and society as a whole, companies in the biopharmaceutical industry are committed to enhancing diversity and inclusion within and across their organizations and external stakeholders such as vendors and suppliers.

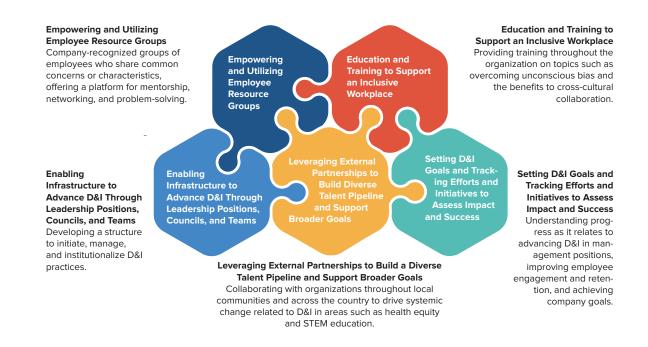
Through this array of support, the industry is increasing opportunities for underrepresented and underserved populations and working to address disparities related to economics, health, race, gender, ability, and sexual orientation.

The information presented in this section draws from a survey of PhRMA member companies administered in late 2019 through early 2020. Eighteen leading biopharmaceutical companies responded to the survey. Additional examples of company activities are derived from publicly available reports, websites, press releases, and other sources.

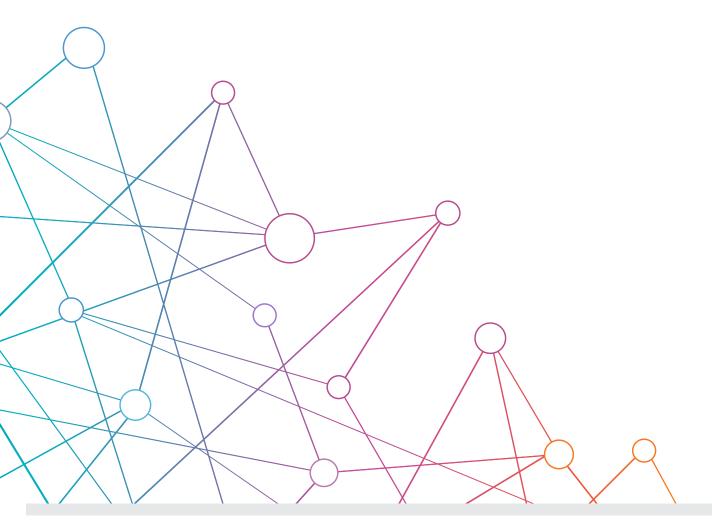
Based on this analysis, Figure 4 below describes fundamental approaches deployed by businesses to support D&I. Ultimately, a holistic approach is needed to truly strengthen diversity and inclusion across companies, industries, and communities. "For more than 70 years now, we have been deeply committed to fostering an inclusive environment that embraces different perspectives and values the contributions of each individual. Having a globally and locally diverse workforce makes us a more innovative and agile company—and one better attuned to the needs of our customers, health care providers and patients who ultimately use our products."

-Ken Frazier, Chairman and CEO, Merck

FIGURE 4: OVERVIEW OF HOLISTIC APPROACH TO STRENGTHENING DIVERSITY AND INCLUSION



Source: TEConomy Partners, LLC.



Empowering and Utilizing Employee Resource Groups (ERGs)

ERGs, sometimes known as "Affinity Groups" or "Business Resource Groups," refer to an "employer-recognized group of employees who share the concerns of a common race, gender, national origin or sexual orientation—characteristics protected in some instances by law and in many organizations as a matter of company policy."¹⁹ ERGs are a key organizing framework for diversity and inclusion initiatives and a valuable mechanism for building collaboration across and within companies.

Companies may call these groups by different names, but they all aim to attract and retain diverse talent, grow and develop employee leaders, and advance a culture of belonging. Notably, and specific to the biopharmaceutical industry's mission, ERGs may also support external initiatives to promote better patient care, engage in health equity issues, and increase diversity in the talent pipeline. Collaborations among "Teva embraces diversity in all aspects of our business—from our workforce, to external partners, to engagement in the community. There is no place in our mission for discrimination of any kind. Our values are rooted in these principles and in our belief that our differences only make us stronger. Our commitment to Diversity & Inclusion may not be new, but our resolve to elevate both our words and our actions to the forefront has never been stronger."

-Norv McAndrew, SVP and General Counsel, Global Litigation, Black Heritage ERG Executive Sponsor, Teva

FIGURE 5: SUPPORT FOR EMPLOYEE RESOURCE GROUPS (ERGS) IN THE BIOPHARMACEUTICAL INDUSTRY



Source: PhRMA/TEConomy Partners' survey; percentages represent the share of total companies responding.

19 Diversity Best Practices, see: https://www.diversitybestpractices.com/employee-resource-groups.

- Supporting and Serving Diverse Racial and Ethnic Communities
- Creating an Inclusive Environment for Employees with Disabilities
- Engaging the LGBTQ Community in the Workplace
- Supporting Women in the Workplace

- Providing Resources for Caregivers and Those Receiving Treatments
- Networking for Employees of All Age Ranges
- Additional Examples of ERGs to Support D&I

The recently formed Alexion Charitable Foundation seeks to cultivate a sense of belonging—particularly for people affected by a rare disease—through initiatives that advance emotional well-being, educational opportunities, and economic relief. The oundation provides funding to help the rar disease community cope with isolation, attain needed education and job skills support, and alleviate some key financial burdens.

Pharmaceuticals:

Pharmaceuticals: The company hosted a MOSAIC Caregiver Perspective global panel discussion with internal caregivers who shared personal experiences, shining a light on the caregiver journey, and offering a safe space for open discussion and support. The Office of Chief Diversity Officer also shares periodic communications with the organization, often highlighting employee and caregiver resources.

Amgen's Oncology team to create an award-winning educational who are at greater risk of

Amgen:

The Amgen Black Employees

Amgen:

Ability Bettered Through Leadership and Education (ABLE) provides resources for employees with disabilities and employees with family members who have disabilities while also raising awareness around diverse abilities and participating in volunteer events

Astellas Pharma:

The Military Employee Resource Group (MERG) supports the recruitment, retention, and recognition of employees with military experience. Along with MERG, Astellas Pharma also sponsored the Warrior Games, an athletics competition with hundreds of service members and veterans participating.

EMD Serono:

Astellas Pharma:

employees' skills to actively support their LGBTQ colleagues friends, and family members. Those who reach the top-level become "super allies

GlaxoSmithKline: The Prime-Time Partners Network focuses on creating a supportive network for employees in mid-career and beyond

but is also open to all employees regardless of age. The Career Growth letwork educates about different career paths possible at pharmaceutical

companies. The network also interacts with college students to provide general

career-related advice, such as interview skills, job searching assistance,

and resume writing

AstraZeneca Pharmaceuticals:

Employee Resource Groups connect like-minded people across AstraZeneca to share ideas and foster an inclusive community. For example, the Working Parents groups offer employees support to pursue professional success through connections and expanding connections and expanding peer-to-peer mentoring.

Biogen:

a deeper understanding of the cultural heritage and identity differences of employees

Biogen:

early-career professionals and responsibility, network with one mid-to late-career employees.

The Differently Abled Workplace Network (DAWN) fosters an

inclusive work environment where employees with disabilities are valued and respected equally with others, thereby maximizing individual and company performance.

Bristol Myers

Squib:

Johnson &

J&J currently has more than 21,000 employees globally involved in ERGs. The Association of Middle Eastern and North African Heritage ERG (AMENA) helped welcome and

program, reverse mentoring, voluntary sexual orientation, and gender identity self-identification

Eli Lilly and

Company:

Lilly Pride supports initiatives such as a global LGBTQ ally

Johnson:

create a new life for refugee families by turning their house into a home through a program called "Give Your Furniture a New Home.

Johnson & Johnson:

J&J's African Ancestry Leadership Council (AALC) ERG educates Black Council (AALC) ERG educates Black communities around the United States on the importance of participating in clinical trials. The Hispanic Organization for Leadership and Achievement (HOLA) ERG supports students through their work with the Hispanic Scholarship Fund and recently signed the Hispanic Promise pledge to ensure the company is hiring, promoting, and celebrating Hispanics and Latinx individuals in the workplace.

Johnson & Johnson:

Net

community, includes 2,000 members in 58 locations worldwide and has launched a global campaign to empower and train employees to be LGBTQ+ allies. This year, Women's Leadership & Inclusion (WLI), the largest ERG at J&J, celebrated its 25th

Johnson & Johnson:

The GenNOW ERG provides Johnson & Johnson. This dynamic community helps J&J grow the next generation of leaders as they

Johnson & Johnson:

Johnson: The Nursing Innovation Council of Excellence (NICE), a diverse group of nursing professionals, provides members with a forum to exchange knowledge and clinical and scientific insights while facilitating opportunities across J&J for partnerships and development.

EXAMPLES OF BIOPHARMACEUTICAL INDUSTRY ERG ACTIVITIES

- Supporting and Serving Diverse Racial and Ethnic Communities
- Creating an Inclusive Environment for Employees with Disabilities
- Engaging the LGBTQ Community in the Workplace
- Supporting Women in the Workplace

- Providing Resources for Caregivers and Those Receiving Treatments
- Networking for Employees of All Age Ranges
- Additional Examples of ERGs to Support D&I

Johnson & Johnson:

The Alliance for Diverse Abilities (ADA) ERG provides leadership by actively creating an enabling culture for people with diverse abilities, their caregivers, and their advocates to enable employees of all abilities to reach their full potential.

Merck & Co.:

The League of Employees of African Descent (LEAD), Merck's Resource Group, is celebrating 50 years in 2020. The group plays a valuable role in its global talent acquisition, business insights, and community outreach efforts.

Merck & Co.:

The Merck Interfaith Organization (MIO) works to foster inclusion nong employees from all walks of faith, implementing workplace initiatives and promoting partnerships with other groups through panels, discussions, and community service events.

Novo Nordisk Inc.:

HOLD (Hispanics and Latinos at Novo Nordisk) ERG provides strategic thought leadership to the business and brings Hispanic and Latinx perspectives to promote education and awareness of patients within the community. This EBC patients within the community. This ERG supports development opportunities, nighlights leaders and role models withir the business, provides networking opportunities, and supports work in local communities.

Novo Nordisk Inc.:

The Novo Asian Pacific Community (NASPAC) ERG helps champion healthcar awareness and advocacy through the inclusion of Asian and Pacific Islander perspectives to the business, and by providing opportunities for networking, learning, and individual development for members. Additionally, the NASPAC ERG has become an active resource for the company and its communities, helping to drive change to defeat diabetes and other chronic

diseases.

Novo Nordisk Inc.:

The Millennials ERG aims to leverage the energy and influence of early-career professionals to drive connecting, engaging, and developing next-generation leaders and harnessing their diversity of thought

Novo

Novo Nordisk Inc.: The Veterans at Novo Nordisk (VANN) ERG provides veterans and allies with opportunities to showcase their leadership skills, execute professional development and community service events, and ensure that Novo Nordisk remains an employer of choice for Veterans.

Novo Nordisk Inc.:

Nordisk Inc.: The African Americans in Novo Nordisk ERG seeks to ensure that African American employees have development and growth opportunities that help achieve business objectives and foster leadership within the organization. This ERG supports targeted activities, from educational programming to panels highlighting diverse employees' contributions to the organization.

Sanofi:

PRIDE Connect fosters a supportive and inclusive culture by driving LGBTQ+ cultural understanding, providing tailored resources such as webinars on financial investing from an LGBTQ lens and HR adoption resources, and partnering with community organizations that raise awareness on HIV/AIDS.

Sanofi:

Women Inspiring Sanofi Excellence (WISE) creates an environment of connections. mentorship, and development, plaving an essential role in supporting the company's Global Gender Balance Ambition of 50/50 among top leaders by 2025.

Novo

Nordisk Inc.:

NordIsk Inc.: NovoEqual (LGBTQ Employees and Our Allies) works to expand tolerance, acceptance, and celebrate diversity within Novo Nordisk and the communities they serve. The ERG's mission is to increase the visibility of Novo Nordisk as a friendly workplace for the LGBTQ community by providing a support network for LGBTQ employees and allies to maximize engagement, retention.

engagement, retention and leadership.

Sanofi: CareGIVE provides information, ideas, and a comprehensive support system for employees who are caregivers or who support someone who is a caregiver. This ERG focuses on the wide range of challenges related to caring for those who are aging or living with physical disabilities or mental bealth issues

Novo

Nordisk Inc.:

Women in Novo Nordisk (WiNN) is an

ERG that builds community among the company's female employees, holds

career development summits that help advance and develop leadership, business, and other member skills. Programming for a recent "Pandemic Series" was targeted at assisting employees to parent, be a part of the

sandwich generation, and manage self-care.

Sanofi:

MOSAIC creates a culture that empowers underrepresented employee groups (African American/Black, Hispanic lative American, and Asian) and encourag diversity of thought and experience across the workplace and marketplace. Recently, MOSAIC members created caucus/affinity spaces for Sanofi employees to come together safely to process racial injustices celebrate cultural observances, and offer tailored career webinars to enhance members' professional development.

Noralsk Inc.: The A1Connection (Living with Diabetes) ERG serves as a resource and voice for people living with diabetes to bring broader education and awareness of diabetes and to support the business's commitment to improving the lives of people with diabetes.

concerconnect heips employees coping with cancer make informed decisions and access resources, including knowledgeable colleagues, relationships with advocacy and community groups, and helpful information and support systems.

Diabetes Connect links employees diagnosed with diabetes, those who care for someone with diabetes, or want to learn more by answering questions, offering support, and engaging the community

Sanofi: Sanofi: The VETS Employee Resources Group provides a network, resources, and support for Sanofi veterans and military family members. A key focus in alignment with the company's mental health efforts has been providing a comprehensive curriculum on Post Traumatic Stress Disorder—understanding it, recognizing it, and providing support to colleagues and family members in need.

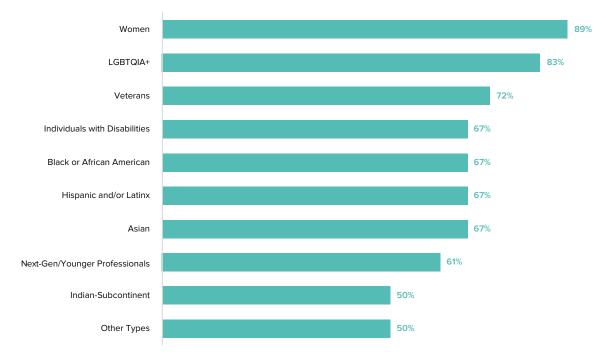
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and across different ERGs can play a crucial role in driving D&I synergies and scaling up efforts within an organization.

Nearly all (94%) biopharmaceutical companies responding to the survey offer employee resource groups. While these groups vary in size and scope, typical activities include conferences and networking events, mentorship opportunities, and efforts to solve specific challenges around business operations and/or D&I. Within those ERGs, industry companies report a high degree of recognition and executive support, as well as funding provided to conduct a range of activities (Figure 5). The industry is supporting a wide assortment of ERGs (Figure 6). Notably, most companies are supporting five or more different groups across their organizations.

ERGs are involved in a range of activities to strengthen company culture, advocate for internal initiatives or policies, and engage in the broader community. Increasingly, many companies ask ERGs to help address specific business challenges, whether operational, strategic, or concerning advancing diversity and inclusion. The following provides an overview of some examples of ERGs and their activities supported by PhRMA member companies.

FIGURE 6: TYPES OF EMPLOYEE RESOURCE GROUPS SUPPORTED BY THE BIOPHARMACEUTICAL INDUSTRY



Source: PhRMA/TEConomy Partners' survey; percentages represent the share of total companies responding.

Education and Training to Support an Inclusive Workplace

An evaluation of 40 years of research on diversity training finds evidence of a positive impact on changing knowledge, attitudes, and behaviors of different populations.²⁰ Notably, the analysis also shows that the most impactful diversity trainings were complemented by other D&I initiatives, were targeted to both awareness and skills development, and were conducted over a significant period of time. Biopharmaceutical companies are proactively training employees to advance diversity and inclusion, especially on subjects such as overcoming unconscious or implicit biases and increasing understanding of and appreciation for cross-cultural collaboration benefits.

Providing Professional Development to Address Biases and Improve Inclusivity

Among the companies surveyed, the vast majority are providing D&I training throughout their organizations. Engaging leadership and other employees early and often are vital to advancing diversity and inclusion. For example, an analysis by researchers at Stanford VMWare Women's Leadership Innovation Lab finds that getting managers and other leaders involved from the start is often overlooked but is a pivotal step toward implementing change.²¹

PhRMA member companies surveyed encourage their employees to develop cultural competencies and anti-discriminatory behaviors. **Notably, 89% of companies conduct other training for employees on subjects such as unconscious bias, learning from differing perspectives,** understanding cultural biases, and anti-racism. Some examples include:

- Alkermes provides unconscious bias training for employees and participates in multiple women's leadership training programs, helping to advance an environment at the company where all voices are respected and valued.
- Astellas hosted a virtual forum focused on race-based incidents of violence and harassment against the Black community. Nearly half of the company's U.S.-based employees attended the event, led by the company's African American Employee Impact Group (AAEIG), in partnership with other affinity groups and leadership councils. The forum provided employees with insights into the impact of race-based incidents aimed at the Black community and how employees can support their colleagues and team members. A post-event survey revealed that more than 75% of respondents said they planned to change something about their behavior or take other positive actions.
- Boehringer Ingelheim redesigned its D&I training to be inclusive of topics such as unconscious bias, physiological safety, and supporting an "Upstander" mindset, which denounces all acts of racism, discrimination, and violence and initiates positive actions that promote meaningful, cultural change, and reinforce a safe environment of

²⁰ Bezrukova, K., Spell, C. S., Perry, J. L., and Jehn, K. A., "A meta-analytical integration of over 40 years of research on diversity training evaluation," Psychological Bulletin, 11, 1227-1274, 2016.

²¹ What works? Evidence-Based Ideas to Increase Diversity, Equity, and Inclusion in the Workplace, Chapter 6: Context Matters: Moving beyond "Best Practices" to Creating Sustainable Change, May 2020.



belonging via internal and external communications.

- Johnson & Johnson partnered with Harvard University professor Mahzarin Banaji, an expert on unconscious biases, to create and deliver "Introduction to Managing Unconscious Bias" training, exploring how blind spots are created, and our minds can learn and adapt to make better decisions. As of 2019, more than 105,000 global J&J employees, 95% of people managers, and more than 85% of all employees have completed unconscious bias training. J&J is continuing a phased rollout of these training, expanding from people leaders to individual contributors to their office environment and manufacturing sites.
- Merck & Co. provides a thorough training course, "Foundations of Diversity & Inclusion Training," where employees explore why these values are essential to the company and the broader market-place. Since the launch of this program in 2017, more than 50% of all employees globally have completed this voluntary training, which is available in nine languages. Recently, training has become mandatory for all employees globally.

- Novartis uses recently implemented global hiring guidelines to help increase the gender and racial/ethnic diversity in leadership and across the organization, while a new talent acquisition team is specifically focused on supporting D&I recruiting.
- Pfizer requires company-wide training to address topics such as racism, conscious and unconscious bias, and bystander responsibility straightforwardly and directly. By redirecting the recruitment process behind the company's Summer Student Worker program, 67% of Pfizer's interns were disadvantaged or underrepresented students.

Building an inclusive team is essential to ensuring that all individuals' different perspectives and contributions are fully appreciated. As such, encouraging managers and other corporate leaders to undergo diversity and inclusion training is critical. **Notably, 89% of companies surveyed conduct training to advance D&I in management-level positions. Select examples include:**

 Astellas requires all U.S.-based people managers, interviewers, and other stakeholders involved in the interview process to take training on implicit biases before "I am proud to work for a company that supports women in the workforce—especially those of us in STEM. We have been fortunate to retain and develop great talent, and it's so rewarding to see women in leadership positions at all levels of our organization."

– Vikki Sluzky, Senior VP, Technical Development, BioMarin

participating in any hiring activities. The course's goal is to increase awareness of organizational processes and involuntary attitudes that may affect selection and hiring decisions and provide tools and resources to help managers select the best candidates for open positions objectively.

- BioMarin Pharmaceutical offers live training workshops dedicated to building and maintaining a respectful workplace. In 2019, every BioMarin manager—over 800 in all—completed this workshop, which offered active strategies and tactics to improve inclusivity and avoid discrimination.
- Bristol Myers Squibb educates executives throughout the organization on overcoming unconscious bias and helping participants recognize the biases in their daily interactions, behaviors, and decision making. Further, participants analyze the impact of bias on business performance and employees and identify mitigation strategies.
- Novo Nordisk facilitates live, virtual unconscious bias training globally to all people managers and the entire global human resources team. This training is also available as an online learning resource and helps anchor the company's new

leadership development training and other pull-through diversity training offerings.

 Sanofi engages leaders from all business units and functions in the MARC (Men Advocating Real Change) Program. Through this program, participants engage with a cross-company network to enhance their leadership effectiveness and discuss ways to effect change in their respective organizations. Conducted in partnership with the global nonprofit Catalyst, MARC enables emerging and senior male leaders to develop critical inclusive leadership strategies, sharpen awareness of inequalities, unconscious biases, and privilege, and hone skills to make a lasting impact.

Advancing Diversity Through Investments in Leadership Development

Beyond explicit training designed to raise awareness of unconscious bias and different cultures, advance anti-discriminatory behaviors, and other related areas, numerous biopharmaceutical companies promote training among their underrepresented employees to help support their career advancement and develop diverse cohorts of leaders. Examples of efforts to promote leadership development include:

- Bristol Myers Squibb, in partnership with the Columbia University Graduate School of Business, offers "LEAD" (Lead. Engage. Accelerate. Develop.), a professional development program for women and multicultural employees who demonstrate strong leadership potential. The program is designed to accelerate the movement and improve the readiness and visibility of high-performing and traditionally underrepresented employees into positions with more responsibility.
- Johnson & Johnson provides two programs designed to accelerate

- high-potential, high-performing, mid-level diverse talent into more senior roles: ASCEND focuses on developing women, and RISE focuses on multicultural leaders in the U.S. Both programs include in-person residences, coaching, executive sponsorship, assessments, applied learning, and development planning.
- Merck & Co. leverages its Women's Leadership Program (WLP) to increase the gender diversity of leadership by creating a pipeline of high-potential mid-manager talent, increasing retention of these women, and creating more opportunities for their advancement. The WLP sharpens leadership skills, builds self-awareness, provides organizational navigation skills, increases exposure to senior leaders, and fosters a sense of community for high-potential women.
- Novartis recently launched its Multicultural Engagement Program (MEP) to increase engagement and retention of diverse talent by investing in and supporting career development and growth through a comprehensive learning experience.
- Sanofi prepares a pipeline for a future generation of female senior leaders and executives through ELEVATE, a global female talent accelerator program. The 9-month blended learning journey includes a variety of resources and activities, including virtual webinars on strategic networking, career navigation, and workshops on leadership, personal branding, and executive presence.
 Importantly, ELEVATE also offers mentorship, peer feedback, individual coaching, and follow-up discussions on career and professional development plans.

Diversifying the STEM Talent Pipeline

Most companies surveyed report support for initiatives that seek to inspire and develop a more diverse talent pipeline, especially in STEM fields vital to the biopharmaceutical industry and overall U.S. competitiveness. The industry truly stands out in these efforts, as documented in a companion report with an assessment of biopharmaceutical industry support for U.S. STEM education.²² The study finds that PhRMA member companies have initiated and supported more than 70 STEM education programs across the country that have reached 7.4 million students and 25,000 teachers over the last five years, and that a majority of the STEM initiatives reported target population groups traditionally underrepresented in STEM fields.

These STEM education programs are highly impactful and are achieving impressive scale. Programs targeting underrepresented population groups account for a majority of the student participants across all industry-supported STEM education programs—nearly 6.5 million students across the U.S. Examples of initiatives include:

 The Amgen Foundation supports a range of programs related to increasing diversity and reducing disparities in STEM, including foundational support for LabXchange and Khan Academy, free online science education platforms, and the Amgen Biotech Experience, which empowers teachers to bring biotechnology to their classrooms. The Amgen Foundation is actively seeking partnerships with Historically Black Colleges and Universities (HBCUs) to increase these programs' reach.

²² TEConomy Partners, "The Biopharmaceutical Industry's Sustained Commitment to Inspiring and Advancing Tomorrow's STEM Workforce," 2020.



- Boehringer Ingelheim U.S.A. participates in Connecticut's STEAM Council on Girls & Women, an initiative of the governor's office that assists with coordinated state responses to issues that impact the lives of women, girls, their families, and the State of Connecticut.
- GlaxoSmithKline participates in the HBCU Partnership Challenge, a commitment to working with HBCUs to forge stronger, strategic partnerships and incorporate these colleges and universities within their D&I efforts. GlaxoSmithKline also leads Science in the Summer, a national coalition that provides elementary-aged students from underserved populations with STEM learning opportunities.
- Johnson & Johnson's WiSTEM2D initiative (Women in Science, Technology, Engineering, Math, Manufacturing, and Design) supports girls and women of all ages, helping them pursue STEM2D studies and careers no matter where they are located. Working with

partners such as Girl Scouts of the USA, Smithsonian Science Education Center, JA Worldwide, and FHI 360, the initiative has reached more than 6 million girls since its inception, more than six times its original goal.

 Johnson & Johnson introduced the Re-Ignite program in 2019, a paid four-month "returnship" program for experienced professionals who have taken a break of two years or more from a STEM2D career. The program features in-depth onboarding, mentoring support, technical training, and alumni guidance. All individuals who completed the program moved into full-time positions. Through the Re-Ignite program, J&J can tap into a new talent pool of experienced, highly engaged, technical leaders who fit its corporate culture.

Enabling Infrastructure to Advance D&I Through Leadership Positions, Councils, and Teams

Biopharmaceutical companies are among the wave of organizations throughout the U.S. designating new leadership and organizing councils and teams to implement D&I strategies and initiatives. As with any effort to implement changes to corporate culture and practices, dedicated leadership and employee participation, input, and buy-in are critical.

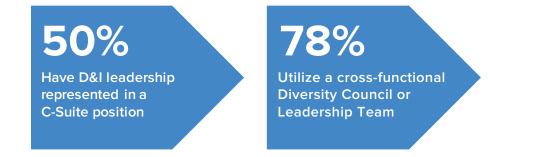
The Chief Diversity and Inclusion Officer position at the executive level is increasingly utilized to create and implement an organization's strategies for advancing D&I and aligning related goals with business outcomes. Elevating this position to the "C-Suite" not only demonstrates a commitment to implementing a D&I strategy but also enables the executive to effectively connect across other functional areas of the organization, including human resources, legal, R&D, marketing, and other top leadership.

Employee diversity and inclusion councils, which typically include senior-level managers and other executives, focus on initiating, managing, and institutionalizing "Throughout my career, I've seen the value of bringing together diverse teams—and the profound impact they can have. They bring new ideas and perspectives to the table which often leads to incredible innovation. In the life sciences industry, this innovation ultimately benefits the patients we serve each and every day. It is for this reason that we have made diversity and inclusion part of our business strategy."

 Richard Paulson, CEO, Ipsen North America, Ipsen Biopharmaceuticals

D&I practices. These councils also work with company leadership to establish clear goals and metrics related to D&I and align

FIGURE 7: BIOPHARMACEUTICAL INDUSTRY DESIGNATING LEADERSHIP POSITIONS, COUNCILS, OR TEAMS TO ADVANCE DIVERSITY AND INCLUSION



Source: PhRMA/TEConomy Partners' survey; percentages represent the share of total companies responding.

activities with its overarching business strategy. Overall, councils help play a vital role in the oversight and assessment of the effectiveness of the D&I function.

Most of the companies surveyed are implementing D&I strategies and initiatives utilizing diversity councils or leadership teams, while half report having D&I leadership represented in a C-Suite position (Figure 7). Other companies surveyed who have not yet implemented these hires or initiatives indicate they are in the planning stages of developing advisory committees, councils, or teams.

The following are some examples of biopharmaceutical companies utilizing D&I Councils:

- Alexion Pharmaceutical's Diversity, Inclusion, and Belonging (DI&B) Advisory Board has leadership roles focused on internal diversity efforts, external diversity efforts, diversity business partnerships, and diversity program management. Sponsored by its Chief Diversity Officer and co-chaired by the Chief Commercial Officer and Chief Compliance Officer, this Advisory Board comprises 20 cross-functional and cross-geographical representatives that reflect the cross-section of Alexion's employee ecosystem and provide advisory and guidance on the DI&B efforts. Other activities of the Advisory Board and its network include a DI&B innovation incubator to accelerate the pace of new pilots and programs, "Tiger Teams" to turbo-charge company efforts ranging from talent to learning, and informational and interactive listening and learning series focused on DI&B.
- Alkermes' Diversity, Inclusion, and Belonging Steering Committee has put forth a strategic roadmap for the organization, including establishing Employee Resource Groups, developing

an approach for promoting diversity in recruitment efforts, and diversity education. These efforts seek to foster an environment that is diverse, inclusive, and one in which employees and stakeholders feel a sense of belonging.

- Astellas' Diversity and Inclusion Governance Council meets approximately six times per year and encompasses nearly two dozen senior leaders from across the organization to ensure that D&I remains a strategic imperative at Astellas, embedded into all functions and held to tangible, measurable results. Co-chaired by the company's CEO and its Chief Medical Officer, the Council helps set an evolving vision and strategy for D&I, shape the business case for why it is imperative, endorse related operational plans, act as role models for inclusive leadership, and track key performance indicators.
- AstraZeneca Pharmaceutical's Global Inclusion & Diversity Council is chaired by the company's CEO and includes representatives from across senior executive team (SET) areas and critical geographies. To ensure D&I is widespread throughout the company, this diverse strategic body is accountable for developing and implementing a strategy for each SET area and key geography.
- Bayer's U.S. Executive Inclusion & Diversity Council is comprised of the Country Leadership Team and other key leaders across the company. The Council partners with U.S. and Global Inclusion and Diversity leadership to actively drive the company's diversity and inclusion strategy, including establishing U.S. goals, integrating relevant considerations into all business, people, and partner decisions, building accountability, and leading change.

- Boehringer Ingelheim U.S.A.'s Diversity, Inclusion, Culture & Equity (DICE) team has launched educational sessions to support employees during the COVID-19 pandemic and address racial injustices at a company-level. The "Navigating Through Uncertainty & Ambiguity" session was approved by the Board of Managing Directors and is now offered globally to support employees, while the "Courageous Conversations: Race & Belonging" educational offering has reached nearly 2,000 employees.
- EMD Serono's Diversity Advocates
 Board (DAB) within Healthcare works
 to improve D&I across the company's
 healthcare business sector. In addition to
 driving an overall D&I agenda, the DAB
 developed a "diversity dashboard" to
 ensure employees have information on
 upcoming D&I activities, access to D&I
 leaders, and awareness of key performance indicators tracked.
- Lundbeck's Diversity, Equity, and Inclusion (DE&I) Council helps ensure Lundbeck U.S. reflects the diverse communities they serve and helps create initiatives that drive diversity and inclusion internally and externally. The Council allows Lundbeck to gain a deeper understanding of the company's progress toward its DE&I goals, identify opportunities for improvement in the area of collaboration and belonging, and establish a forum for open and honest dialogue about colleagues' perception of equity within Lundbeck.
- Novartis Pharmaceuticals' Diversity and Inclusion Councils are self-organized groups of employees who have assumed responsibility for infusing diversity and inclusion within their functional areas and business organizations. These groups

regularly plan and execute events that help reshape their departments' cultures by encouraging employees to understand and appreciate an inclusive workplace climate. Novartis' D&I Councils are fully supported by senior leadership and aligned with functions, departments, and field representative groups throughout the organization. Because D&I Councils represent a wide variety of backgrounds, perspectives, and geographies, they are well-positioned as learning communities, engagement forums and networks of influence.

· Sanofi US Executive I&D Council meaningfully contributes to the I&D (Inclusion and Diversity) strategy by implementing and impacting relevant programs, processes, and initiatives across the Sanofi enterprise. This council provides critical insights from within Business Units and Functions and helps create a continuous feedback loop to maximize the impact of I&D across the enterprise. The council's executive sponsor is the President of Sanofi North America. It is co-chaired by two Business Unit Heads, which helps ensure that executives across the company also proactively seek ways to connect I&D to business imperatives to drive innovation and growth.

Leveraging External Partnerships to Build a Diverse Talent Pipeline and Support Broader Goals

The biopharmaceutical industry is advancing diversity and inclusion on several other essential fronts that extend well beyond a company's doors and into their local communities and broader networks. Efforts to encourage corporate social responsibility are integral to achieving a "triple-bottom-line," attracting and retaining diverse talent and signaling a commitment to a company culture that values diversity and inclusion. Through activities that are often in partnership with a wide range of collaborating organizations, notable focus areas for broader D&I goals include:

- Enhancing the diversity of clinical trials populations;
- Investing in communities disproportionately impacted by COVID-19;
- Addressing disparities in health and treatment;
- Increasing diversity in the industry's supply chain; and,
- Committing to drive systemic change in communities throughout the country.

Enhancing Diversity in Clinical Trials Participation

Clinical trials are a critical component of the long and complex drug development process, and the innovative biopharmaceutical industry is the global leader in developing new medicines that improve the lives of patients. However, recent research shows that many communities of color are frequently underrepresented in clinical trial development. For example, one recent study of oncology treatments found that Black Americans represented fewer than 5% of clinical trial participants, which is less than half of their share of the national population (13%).²³ These racial disparities in clinical trial participation can exacerbate broader health inequities.

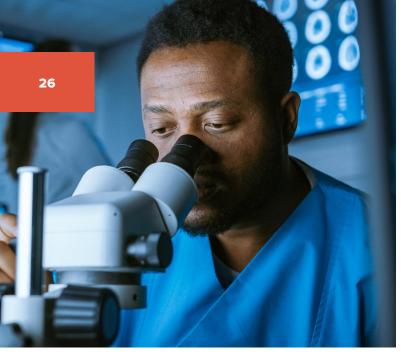
To help address these disparities, June 2019 guidance from the U.S. Food and Drug Administration (FDA) encourages companies to consider a variety of factors to increase trial diversity, especially including trial sites in locations with higher concentrations of people of color, and varying locations based on geography, education, and income.²⁴ Other factors in developing more diverse clinical trial research sites include community outreach, ensuring the process and materials are culturally and linguistically accessible, and having trial site staff or project leads representative of trial participants.²⁵ Furthermore, in the fall of 2020, the PhRMA Board of Directors approved PhRMA's Principles on Conduct of Clinical Trials and Communication of Clinical Trial Results to help assure that clinical research conducted by America's biopharmaceutical companies continues to be carefully conducted and that meaningful medical research results are communicated to healthcare professionals and patients.²⁶ Additionally, many companies in the biopharmaceutical industry also make diversifying clinical trials a specific pillar of their broader efforts toward diversity and inclusion:

²³ U.S. Food and Drug Administration, "Enrollment Practices, and Trial Designs Guidance for Industry," June 2019.

²⁴ Ibid.

²⁵ Society of Clinical Research Sites, "Diverse Enrollment In Clinical Trials: What Do Successful Research Sites Have In Common?" Clinical Leader, May 2020.

²⁶ See: https://www.phrma.org/-/media/Project/PhRMA/PhRMA-Org/PhRMA-Org/PhF/P-R/PhRMAPrinciples-of-Clinical-Trials-FINAL.pdf.



- Biogen has increased patient engagement and education around diversity in clinical trial participation through its collaborations with the Center for Information and Study on Clinical Research Participation (CISCRP). Biogen has helped plan community education programs around clinical research participation and participated in conversations at CISCRP Aware for ALL—a free program that brought people of diverse backgrounds together to learn about the clinical research process.
- **Boehringer Ingelheim U.S.A.** works to improve the diversity of patients within human clinical trials, enhance accessibility to participation in clinical trials (e.g., virtual health, telemedicine, transportation, etc.), and provide affordable medicines.
- Eli Lilly and Company seeks to improve the participation rates of diverse patients across its clinical trials, matching the population's composition in each therapeutic area, and increasing the representation of diverse investigators and site staff who provide the care to patients and deliver quality results. Learning from historical best practices and contemporary events, Lilly continues to focus on increasing the participation

"We believe that we have an opportunity to impact healthcare disparities in underrepresented populations through our clinical trials. We have now set an expectation that all clinical trial recruitment demographics will match those of the countries where the trials are taking place."

- Albert Boula, CEO, Pfizer

of racially and ethnically diverse populations in U.S. trials with the goal of striving for health equity for all U.S. patients. Lilly is an active participant and supporter of numerous health consortiums singularly focused on driving improvement in diversity participation and health equity, including PhRMA, the Multi-Regional Clinical Trials Center of Brigham and Women's Hospital and Harvard, TransCelerate Biopharma Inc., and the National Medical Association's Project I.M.P.A.C.T.

• Genentech recently conducted a phase III study of COVID-19 patients hospitalized with pneumonia. With an intentional focus on recruiting in predominantly underserved communities who have been disproportionately impacted by COVID-19, more than 85% of patients in this trial are from underrepresented racial and ethnic groups, and the majority are Hispanic. Separately, a recently initiated phase IV trial of relapsing multiple sclerosis (MS) patients is the first prospective trial developed in collaboration with MS patients, patient advocacy groups, and investigators, to exclusively focus on meeting the needs of underserved patients with MS.

- Johnson & Johnson is focused on advancing diverse and inclusive participation in clinical trials to ensure data and insights from underserved and underrepresented populations inform the development of safe and effective products and treatments. As part of continuing efforts to drive awareness about clinical trials within communities of color, Janssen Pharmaceutical Companies of J&J launched an educational website to underscore the importance of diversity in creating inclusive and representative trials.
- **Pfizer** has incorporated several innovative programs to meet its goals for increasing diversity in clinical trials, including creating a real-time dashboard for recruitment tracking, new investigator training programs, new internal and external partnerships, and the development of a collaborator network.

Investing in Communities Disproportionately Impacted by COVID-19

For many diseases, communities of color are likely to be disproportionately impacted, largely a result of systemic racial and economic inequities. In particular, the COVID-19 pandemic has brought to light the stark socioeconomic disparities that exist in many communities across the nation. An analysis of Centers for Disease Control and Prevention (CDC) data finds that Black and Latino people in the U.S. are three times as likely to contract the novel coronavirus than their white neighbors and nearly twice as likely to die from complications due to the disease.²⁷

In addition to the significant R&D efforts for safe and effective COVID-19 treatments and vaccines, multiple companies and their corporate foundations are also providing substantial financial support to help assist these communities and work to address health and economic disparities related to the pandemic. Examples include:

- AbbVie is donating \$35 million to help support underserved communities and healthcare systems working to address the impact of the COVID-19 global pandemic. Included in this total is \$5 million for a new AbbVie COVID-19 Community Resilience Fund, which is intended to strengthen community resilience in under-resourced areas impacted by COVID-19.
- Genentech and the Genentech
 Foundation have committed \$42 million to address the devastating impact of the COVID-19 pandemic. This support includes emergency response grants and

"Rigorous scientific studies into the underlying biological drivers of disease and increased participation from diverse populations in clinical studies, as well as increased awareness among healthcare professionals, are needed to best treat all patients in this evolving world of personalized healthcare. To advance better health outcomes for all, clinical research must reflect demographic trends and include more diverse populations."

- Quita Highsmith, Chief Diversity Officer, Genentech

27 The New York Times, "The Fullest Look Yet at the Racial Inequity of Coronavirus," July 2020.

funds for longer-term recovery efforts, with a range of investments specifically focused on assisting low-income households and communities of color who are experiencing the most harm.

- The Gilead CARES initiative is actively providing funding to help communities cope with the COVID-19 pandemic.
 Approximately half of this \$20 million fund has been committed to supporting organizations worldwide working on HIV and LGBTQ+ issues. Through this work, Gilead Sciences is also supporting nonprofits such as the Los Angeles LGBT Center and San Francisco AIDS Foundation, organizations on the front lines of working to support the health, wellness, and social justice of the communities they serve.
- Johnson & Johnson is committing \$50 million to support and supply frontline health workers from providing meals to protective equipment, extra training to mental health support. This commitment expands upon a \$250 million multi-year commitment made earlier in the year to support those at the frontlines guided by the Johnson & Johnson Center for Health Worker Innovation. Built on a legacy of purpose-driven actions and a commitment to diversity and inclusion, the company aims to represent populations that have been disproportionately impacted by the pandemic in implementing its COVID-19 Phase 3 trial program.
- Merck & Co. and the Merck Foundation are committing more than \$30 million to COVID-19 relief efforts, including \$10 million in support of activities related to addressing health disparities and inequality among patients and communities. Merck & Co. is also partnering with organizations to support underserved and vulnerable communities and

patients with underlying health conditions and strengthen health systems and the capacity of frontline healthcare workers to provide care for vulnerable patients.

- Novartis Pharmaceuticals and the Novartis U.S. Foundation are establishing a \$5 million U.S. COVID-19 Community Response Fund for immediate response and recovery efforts related to the pandemic in U.S. communities.
- Novo Nordisk Inc. has donated \$1 million to support COVID-19 relief efforts in the communities they serve, offering a combination of charitable giving and food donations and distribution throughout the public health emergency.
- UCB launched a new UCB Community Health Fund with an initial contribution of more than \$3 million and an aim to address health disparities among vulnerable populations. The Fund will focus on contributing to understanding and reducing the medium- and long-term impact of the COVID-19 pandemic on the physical, mental, and social well-being of vulnerable populations.

Addressing Disparities in Health, Treatment, and Care Delivery

While the biopharmaceutical industry understands that innovative medicines are only successful if they can reach all the patients who need them, many of the challenges in accessing healthcare are often outside of the patient's control. As part of its commitment to health equity and advancing inclusive research, Genentech commissioned a landmark study of more than 2,000 patients in the U.S. to better understand how they perceive and interact with the healthcare system. Initial findings illuminate these inequities with new clarity, revealing a crisis "We recognize that communities of color are experiencing disproportionate impact due to the current pandemic. As a company focused on health and nutrition, having a deeper understanding of the social and economic inequities that exist in the communities we serve is important and has great significance for us."

- Bayer U.S. Leadership Team

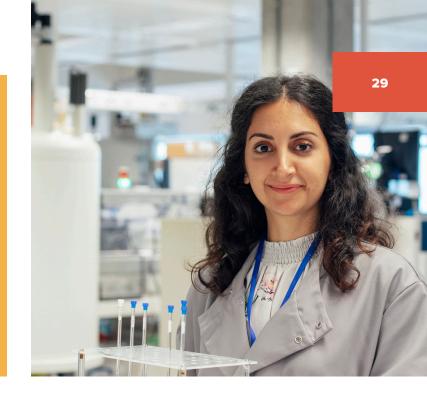
of trust in the healthcare system among medically disenfranchised communities.²⁸

As companies focused intensely on improving human health, members of the pharmaceutical industry have an inherent interest in reducing health disparities. Throughout the sector, companies are spearheading new initiatives, collaborating with external partners, and offering wrap-around support services to help address health disparities and inequities.

With an understanding that many communities of color face significant health disparities because of systemic inequalities, multiple PhRMA member companies are working to reduce these disparities, especially in the specific disease areas on which they focus. Select examples include:

• **Biogen** founded MS UP, a program that seeks to improve multiple sclerosis (M.S.) outcomes among underrepresented racial and ethnic populations in the U.S., enhance external resources and partnerships with patient advocacy groups to better reach underserved communities, and reduce clinical disparities through data generation.

- EMD Serono has implemented the Healthy Women, Healthy Economies initiative to unlock the power and potential of women around the world. A key element of this initiative is to support women with cancer and address their unique challenges and unmet needs. EMD's research finds that tailored support services are needed to help improve quality of life.
- Genentech provided a transformational grant to Stand Up to Cancer (SU2C) to launch the first multidisciplinary Health Equity Breakthrough Research Team, including \$6 million for cancer research in underrepresented populations. With a focus on addressing racial and ethnic disparities in cancer care, this investment seeks to integrate diversity, equity, and inclusion in innovative approaches to cancer research and treatment.
- **Gilead Sciences** announced a new partnership with Morehouse School of



²⁸ Genentech, "A New Perspective on Health Inequity," September 2020.

Medicine's Satcher Health Leadership Institute to better understand the impact of COVID-19 on communities of color. The partnership will develop a real-time, public-facing, and comprehensive health equity data platform that informs actionable, evidence-based policy changes to attain health equity and including information on comorbidities associated with COVID-19. Gilead initially provided \$1 million for the project and also to support the creation of a Black Health Equity Alliance, composed of national thought leaders, community representatives, scholars, researchers, and policymakers, which will help coordinate COVID-19 education, training, information exchange, and dissemination, policy analysis, and advocacy.

- Johnson & Johnson has convened the Coalition for Equitable Maternal Health, which will officially debut on Capitol Hill in 2020. The group is comprised of organizations like the American College of Obstetricians and Gynecologists (ACOG), March of Dimes, and the Black Mamas Matter Alliance, with the goal of uniting to advocate for the needs of America's Black expectant mothers. J&J also consistently weighs in to support the maternal health community's appropriations priorities and numerous pieces of legislation that aim to ease disparities.
- Lundbeck has supported the Disparities in Headache Advisory Council, a cross-functional group of patient advocacy organization leaders, headache patients, and healthcare providers committed to radically changing the outcomes for people of color. Research shows that Black and Hispanic women face a particular burden when it comes to migraines yet are less likely to be diagnosed or receive appropriate medical care. Lundbeck is focused on advancing

"We need to not only educate healthcare providers about differences in disease presentation and outcomes of underrepresented populations but help them embrace these differences becoming culturally competent to optimize outcomes."

- Wanda Castro-Borrero, MD, Director, US Medical MS Franchise at Biogen

health equity in brain diseases, raising awareness of health disparities, and promoting migraine care and outcomes for all people.

 Sanofi Pasteur, the vaccines division of Sanofi, has partnered with Sustainable Healthy Communities to launch DRIVE (Demonstrating Rising Influenza Vaccine Equity), a population health initiative to improve influenza vaccination rates in underserved, vulnerable communities. Through a series of pilot projects with select regional health systems, DRIVE has already produced a sizable increase in flu immunization rates among these populations, seeing anywhere from 15% to 50% increases.

In addition to programs that focus on specific patient populations, others use an equity lens to address health disparities more broadly in the communities where companies operate. Examples include:

 Alexion Pharmaceutical's philanthropic areas of focus, across both the company and the recently launched Alexion Charitable Foundation, support organizations that serve disadvantaged or disenfranchised communities, focusing on advancing emotional well-being,



enhancing educational opportunities, and increasing diversity in society and critical institutions.

- Genentech launched The Resilience Effect, investing \$20 million since 2017 to address the impact of childhood trauma—including racism, violence, and abuse—on kids' and families' health and well-being. The initiative includes partnerships to improve pediatric care for 100,000 low-income children and families across the Bay Area, and research and advocacy support to design and scale new interventions to promote children's health and reduce healthcare disparities later in life.
- Novo Nordisk launched Farmhouse to Your House, a collaboration between community-based organizations, farms, and diabetes prevention programs to tackle diabetes in Mississippi, which ranks second in the nation for overall diabetes prevalence. This initiative aims to help underserved people learn how to manage their health and bring nutritious food to those who need it.
- Otsuka America Pharmaceutical provides donations and sponsorships for

healthcare-related or community-based programs or activities that help underserved or underrepresented populations and support education and advocacy on behalf of patients and their families.

 Pfizer is directing \$5 million to address health equity and disparities, delivering \$3 million specifically to address healthcare disparities in the Black community and support social justice work. The remaining \$2 million of these funds are directed toward communities of color suffering disproportionately from the COVID-19 pandemic.

Committing to Drive Systemic Change

While many pharmaceutical companies have long-standing pledges to increasing D&I in the workplace and across the industry, recent months have seen these commitments elevated from aspirational goals to significant investments capable of driving systemic change. Examples of support include:

 AbbVie is committing \$50 million over five years to partner with nonprofits on a long-term, multi-faceted program that seeks to bring lasting change around quality education, jobs, healthcare and justice. The company also announced an immediate donation of \$5 million to the NAACP Legal Defense and Education Fund and the Equal Justice Initiative to address issues in the criminal justice system.

- The Amgen Foundation is dedicating \$7.5 million over the next three years to support racial justice and economic opportunity. In addition to distributing \$500,000 to each of four national organizations focused on driving systemic change (the NAACP Legal Defense and Educational Fund, the Equal Justice Initiative, Race Forward and Echoing Green), the Amgen Foundation will also partner with local leaders in U.S. communities where the company has a significant presence to distribute grants that empower local and diverse team members to build a more just and equal society. Plans will be rolled out in Ventura County (CA), where Amgen is headquartered, as well as San Francisco and Los Angeles (CA), Cambridge (MA), Juncos (P.R.), Tampa (FL), Rhode Island, Kentucky, Washington D.C., and New Jersey.
- Bristol Myers Squibb and the Bristol Myers Squibb Foundation are committing \$300 million to systematically accelerate and expand health equity and D&I efforts. This investment is targeted toward addressing health disparities, increasing clinical trial diversity, increasing supplier diversity, and increasing the representation of Black and Hispanic/Latinx employees at all company levels. Additionally, the Foundation is doubling employee donations to organizations that are fighting health disparities and discrimination.
- Eli Lilly and Company and the Lilly Foundation are pledging \$25 million and 25,000 volunteer hours over five years to decrease the burden of racial injustice and its effects on local and national communities of color. The Lilly

Foundation's commitment will focus on exposing and combatting hard truths about racial injustice and providing grant opportunities to improve educational, health, criminal justice, and social mobility outcomes for people of color. The employee volunteer service hours are committed by Lilly to help fight racial injustices, building on the company's ongoing efforts to create a more diverse, equitable, and inclusive culture within the company, in the communities it operates, and across the world.

 Johnson & Johnson is taking concrete actions as part of its long-term efforts to fight for racial and social justice, focusing its commitment on three key areas: their people internally, equitable healthcare for the communities they serve, and creating alliances with other organizations to help advance its goal. Partnerships include BIO, AdvaMed, and PhRMA on health equity initiatives in the U.S., and to propose new policies to enable more diverse clinical trial representation.

PhRMA members are also helping to drive long-term systemic change through foundational leadership and financial backing to help develop "collective impact" programs around STEM education. These initiatives use a structured form of collaboration to coalesce a group of actors from different sectors around a common agenda over an extended period. These long-term strategies involve various partners and seek to address structural challenges related to social problems such as racial achievement gaps in STEM education. Examples of collective impact approaches to STEM education spurred by PhRMA members include:

• The Biogen Foundation's collaboration with a variety of local partners in the Greater Boston area to conduct its STAR Initiative (Science, Teacher Support, Access & Readiness). STAR is designed to overcome disparities in STEM education by supporting the development of a coordinated ecosystem of organizations that help low-income students develop and sustain their interest in STEM, gain necessary STEM exposure and enrichment opportunities, and successfully transition into post-secondary education in pursuit of STEM careers.

- GlaxoSmithKline will commit \$10 million over 10 years in charitable investment as well as the energy and expertise of skills-based employee volunteers to support the Philadelphia STEM Equity Collective. A partnership with Philadelphia Education Fund's Philadelphia STEM Ecosystem, the collective features more than 60 organizations from across Philadelphia in a collaborative effort to increase the number of Black, Latinx and female Philadelphia students entering STEM careers by 2030.
- Lundbeck helps develop the next generation of scientific leaders through its ongoing collaboration with Perspectives/ IIT Math & Science Academy, a STEMfocused charter school on Chicago's South Side, where it's partnered for the past ten years. Because students from disadvantaged communities face distinct challenges in accessing STEM education, this partnership has helped enhance learning opportunities and provide Perspectives students with a pathway to STEM success. Some programming focuses on mental health, sexual health, and substance abuse through this longterm partnership. As a company committed to helping people living with brain

disorders, Lundbeck is acutely aware of the role behavioral and emotional health can play in an individual's quality of life and academic success.

Increasing Diversity in the Industry's Supply Chain

Studies show that increasing diversity in company supply chains has benefits that reverberate throughout the industry. A report by Ernst & Young and the U.N. Global Compact finds that effective supply chain diversity programs are critical for talent attraction, as employees are likely to advocate on behalf of these programs and serve as "ambassadors" for their companies.²⁹ An economic impact analysis of the National Minority Supplier Diversity Council (NMSDC) estimates that certified minority-owned businesses have a total economic impact of over \$400 billion in output, which results in the creation and retention of more than 2.2 million direct and indirect jobs.³⁰

Among the biopharmaceutical companies surveyed, 89% have efforts to advance diversity and inclusion among contractors or vendors. These initiatives' impacts are significant and can reach into the billions of dollars given the supply chain demand and expenditures of biopharmaceutical companies. Examples include:

 GlaxoSmithKline's Supplier Diversity Initiative seeks to identify and develop diverse businesses to support its commercial ambitions while contributing to its social responsibility of improving the economies of the communities they serve. The Initiative includes Minority-, Women-, Veteran-, Lesbian, Gay, Bisexual and Transgender (LGBT)-, and Disabilityowned businesses, businesses located in

²⁹ Ernst & Young and UN Compact, "The state of sustainable supply chains: Building responsible and resilient supply chains," January 2016.

³⁰ National Minority Supplier Development Council, "Economic Impact Report: The Effects of NMSDC Certified Minority Business Enterprises on the U.S. Economy," September 2015.



Historically Underutilized Business Zones (HUBZone's), and small businesses.

- Johnson & Johnson's Global Supplier Diversity and Inclusion program has been making an impact in connecting diverse businesses with growth opportunities for more than 20 years, extending to 14 countries around the globe. In 2018, for the eighth consecutive year, Johnson & Johnson maintained membership in the Billion Dollar Roundtable, an exclusive group of 28 companies that advance corporate best practices for supplier diversity and spend at least \$1 billion annually with certified minority-, women-, veteran-, LGBTQ-, and disability-owned businesses.
- Novo Nordisk's company-wide diverse supplier initiative, novoDSI, connects the business to certified small, women-owned, veteran-owned, service-disabled veteran-owned, disadvantaged, and HUBZone businesses. These partnerships help diverse firms by offering them opportunities to grow, and Novo Nordisk benefits from their fresh thinking and unique perspectives.

"Inclusion and diversity aren't just buzz words at Sanofi. They're critical components to our mission of empowering life and supporting all patients—regardless of race, gender, background or sexual orientation—through their health challenges. By prioritizing these qualities in our work, we're better positioned to help patients beyond our walls and transform the broader healthcare ecosystem to meet their needs."

- Cristina Santos, Head of Inclusion & Diversity North America, Sanofi
- Novartis recently implemented a Diverse Supplier Protocol to increase spending with women-, minority-, veteran- and LGBTQI-owned businesses.
- **Pfizer** has emphasized supplier diversity. A 2018 report cited \$2.8 billion spent over the prior four years with certified Minority Women Business Enterprise (MWBE) suppliers, which spans partnerships with 800 MWBE suppliers. Additionally, Pfizer launched its first supplier mentorship program with diverse suppliers.

Setting D&I Goals and Tracking Efforts and Initiatives to Assess Impact and Success

According to research cited in a recent issue of the Harvard Business Review, setting goals, collecting data, and closely monitoring changes over time is essential to maximizing impact and increasing accountability around diversity and inclusion.³¹ Most companies surveyed (78%) indicate they are tracking their D&I efforts to assess their effectiveness and impacts. Figure 8 shows a selection of the types of approaches or measures PhRMA member companies are using to evaluate their progress, with nearly all collecting data regarding underrepresented demographic groups advancing to management positions, employee engagement and retention, and via regular surveys of employees.

Among additional key measures or approaches to track progress, companies indicate they assess the following:

- Employee Resource Groups for their effectiveness in areas such as engagement, promotions, and leadership advancement;
- Participation in external industry benchmarking of best practices using measures and reporting by groups such as the Human Rights Campaign and Working Mother; and,
- Performing D&I assessments to gauge the inclusiveness of human resources processes and procedures.

Beyond value in tracking metrics internally related to D&I, increased reporting and

transparency also allows for comparisons across the industry and similarly-sized companies. Companies in the biopharmaceutical industry stand out and are recognized among highly-regarded national organizations in several D&I areas in the workplace, especially the inclusion of the LGBTQ+ community, support for working parents, and promoting D&I best practices.

Leading in LGBTQ+ Inclusion

According to a nationally representative survey of LGBTQ individuals across all industries cited by the Movement Advancement Project, an independent civil rights and advocacy organization, 25% of respondents reported they had experienced discrimination based on sexual orientation or gender identity, and more than half stated this negatively impacted their work environment.³² Meanwhile, 27% of transgender workers reported being fired, not hired, or denied a promotion due to potential discrimination. Encouraging a genuinely inclusive workplace requires that all individuals be included, regardless of gender or sexual orientation.

For more than 18 years, the Human Rights Campaign's Corporate Equity Index (CEI) has classified employers based on their support for an inclusive culture and corporate social responsibility, the extent of their non-discrimination policies across business entities, and the types of benefits provided for LGBTQ workers and their families.³³ Companies in the biopharmaceutical

³¹ Harvard Business Review, "Diversity and Inclusion Efforts That Really Work," May 2020.

³² Movement Advancement Project, "LGBT People in the Wokrplace: Demographics, Experiences, and Pathways to Equity," 2018.

³³ Human Rights Campaign Corporate Equality Index (CEI) 2020.

industry are well-represented among the nation's top employers based on the CEI. Specifically, indicators analyzed for the 2020 CEI include whether the company:

- Prohibits discrimination based on sexual orientation for all operations
- Prohibits discrimination based on gender identity for all operations
- Equivalency in same- and different-sex spousal medical and soft benefits
- Equivalency in same- and different-sex
 domestic partner medical and soft benefits
- Equal health coverage for transgender individuals without exclusion for medically necessary care
- Three LGBTQ internal training and education best practices
- Employee group or diversity council

"To solve some of the toughest challenges in medicine, we need the best people with the best, most creative ideas. We embrace our differences, and it's driving business success."

- Dave Ricks, Chairman and CEO, Eli Lilly and Company

- Three distinct efforts of outreach or engagement to broader LGBTQ community, and if supplier diversity program is in place, must include LGBTQ suppliers
- Contractor/supplier non-discrimination standards and philanthropic giving guidelines

FIGURE 8: APPROACHES USED TO ASSESS THE PROGRESS AND IMPACTS OF CORPORATE D&I EFFORTS (SHARES REFLECT THE PERCENTAGE OF COMPANIES INDICATING THEY TRACK D&I EFFORTS TO ASSESS EFFECTIVENESS AND IMPACTS)



Source: PhRMA/TEConomy Partners' survey; percentages represent the share of total companies responding that they track their D&I efforts to assess their effectiveness and/or impacts.

Eighteen PhRMA member companies are featured as "Best Places to Work" for LGBTQ employees according to the 2020 Corporate Equity Index (listed here). Notably, 17 of these companies received a perfect score based on the nine indicators, reflecting widespread commitment across the industry.

- AbbVie
- Amgen
- Astellas Pharma
- AstraZeneca
- Bayer U.S.
- Boehringer Ingelheim Pharmaceuticals
- Bristol-Myers Squibb
- Eli Lily and Company
- Gilead Sciences
- GlaxoSmithKline
- Johnson & Johnson
- Merck & Co.
- Novartis Pharmaceuticals
- Novo Nordisk
- Pfizer
- Sanofi
- Takeda Pharmaceutical Company Ltd
- Teva Pharmaceuticals

Supporting Working Parents

While women in the workplace face well-documented challenges, these can be exacerbated for working mothers. For example, a recent McKinsey analysis finds that 39% of women in dual-career relationships report doing most or all the housework, compared to just 11% of men in these relationships.³⁴ The analysis also finds women were twice as likely to feel negative consequences related to parental leave-20% of women who have taken a leave say it negatively impacted their career, compared with just 10% of men. Women are also twice as likely to report that parental leave had a negative effect on their financial well-being.

Companies in the biopharmaceutical industry frequently go above and beyond the legal requirements mandated for working parents. Each year, the publication *Working Mother* releases a list of the 100 best companies for inclusive family benefits, focusing on policies such as gender-neutral leave, gradual phasebacks after parental leave, and accessible, affordable childcare.³⁵ Specifically, the analysis examines six indicators:

- Minimum number of weeks of fully paid gender-neutral leave
- Minimum number of weeks of fully paid maternity leave
- Offers phase-back or reduced-hour
 program to new moms returning to work
- Average weeks of phase-back for new moms
- · Offers backup childcare
- Offers care for sick children

The 2020 Working Mother 100 Best Companies List features 12 PhRMA member companies. Notably, three members—AbbVie, Astellas Pharma, and Johnson & Johnson—appear in the top 10 on this list. Other member companies featured among the 100 best companies for working parents include:

- Boehringer Ingelheim Pharmaceuticals
- Bristol-Myers Squibb
- Eli Lilly and Company
- Gilead Sciences
- GlaxoSmithKline
- Merck & Co.
- Novo Nordisk
- Sanofi
- Takeda Pharmaceutical Company Ltd

PhRMA member companies are also well represented in a separate study published by Working Mother, the 2020

³⁴ LeanIn.org and McKinsey and Company, "Women in the Workplace, 2019."

³⁵ Working Mother Media, "2020 Working Mother 100 Best Companies."



Best Companies for Dads list.³⁶ Abbvie and Johnson & Johnson again rank in the top 10, while six other member companies rank in the top 100: Astellas Pharma, Eli Lilly and Company, Merck & Co., Novo Nordisk, Sanofi, and Takeda Pharmaceutical Company Ltd.

Promoting D&I Best Practices

Many efforts to disclose information such as representation in hiring, promotions, and leadership are lauded for their transparency, but not necessarily for the progress that companies may or may not be making based on their own internal D&I data and metrics. Diversity Best Practices (DBP), a part of the Working Mother Network, develops the DBP Inclusion Index annually to benchmark and share best practices with industry-related organizations.³⁷ Instead of focusing on the availability of information, the Index places value on having diversity in senior levels and areas of hiring and promotion. In partnership with She Runs It, a non-profit organization designed to encourage and promote women's role in the advertising industry, the DBP Inclusion Index focuses on achieving standards of excellence in three areas:

- Transparency and Demographics, specifically related to data on the representation of women, people of color, and other underrepresented groups within their workforces.
- Adherence to best practices for fostering D&I in recruitment, retention, and advancement.
- Best practices in promoting a company culture that values D&I.

Several PhRMA member companies are included in the DBP Inclusion Index, including: AbbVie, Astellas Pharma, Boehringer Ingelheim Pharmaceuticals, GlaxoSmithKline, Johnson & Johnson, Merck & Co., and Sanofi. These companies actively promote programs and policies to successfully recruit, retain, and promote diverse employees and are strengthened by inclusive company cultures, transparency, and management accountability.

³⁶ Working Mother Media, "2020 Best Companies for Dads."

³⁷ Diversity Best Practices, DBP Inclusion Index 2019.

The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce

V. Conclusion

As the United States population and workforce become increasingly diverse, companies across the nation are accelerating their efforts to enhance diversity and inclusion in the workplace and their communities.

From better economic performance, stronger internal teams, and increased talent attraction, the benefits of improving D&I are clear. With an understanding of its value to their companies, the broader STEM workforce, and society, companies in the biopharmaceutical industry are actively working to improve diversity and inclusion across and within their organizations.

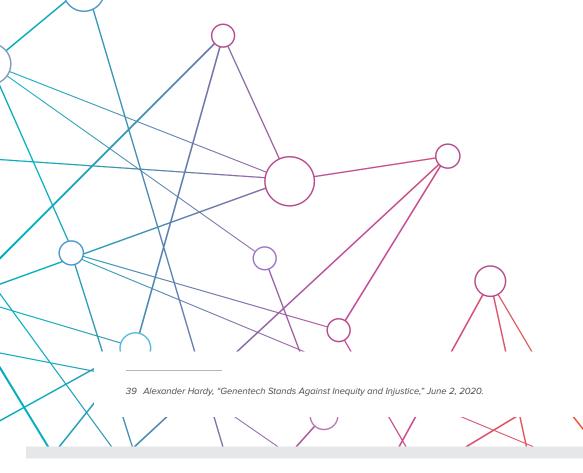
Based on an analysis of surveyed PhRMA member companies, it is apparent that these industry efforts to comprehensively advance diversity and inclusion are pervasive and enduring. Through their support for employee-based resource groups and training programs, member companies help ensure that D&I is celebrated and emphasized throughout their organizations. By designating leadership positions, councils, and teams to advance D&I, and by tracking efforts and initiatives to assess effectiveness and impacts, these companies can further ensure that activities occur intentionally and transparently.

Recognizing that improving diversity and inclusion requires external partners and increased scale, many biopharmaceutical companies are also engaging with their industry peers to drive change within the sector and across society. As Merck & Co. CEO Ken Frazier commented earlier this year in an interview with CNBC, "Even though we don't have laws that separate people on the basis of race anymore, we still have customs, we still have beliefs, we still have policies, and we still have practices that lead to inequity...In the long run what's in our enlightened economic self-interest is for all Americans to feel like they're participants in our economy."³⁸ PhRMA members are working together to increase D&I in the supply chain, to enhance the diversity of clinical trial populations, and to address disparities in health and treatment. In the wake of the COVID-19 pandemic, companies are also making significant investments in the places and the people that are disproportionately impacted. Perhaps most importantly, members are committing to drive systemic change in communities throughout the country through long-term investments in areas such as civil rights, STEM education, and increasing economic opportunity.

Taken together, this assessment reflects the biopharmaceutical industry's commitment

38 "Ken Frazier calls for unity amid civil unrest on CNBC," Squawk Box, June 1, 2020.

to improving diversity and inclusion at the individual, company, industry, and societal levels. Ultimately, these commitments will require that companies and their employees continue to take sustained, consistent, and meaningful action to drive systematic change. Taking action, according to Genentech CEO Alexander Hardy, "means pushing harder to address the impacts of structural racism within our healthcare system. It means using our power, privilege, and resources to advocate for equity and justice. And it means continually engaging in open dialogue within and beyond our walls to listen and learn so that we might find new opportunities to expand our impact."³⁹ As efforts to support D&I grow and as additional companies continue developing like-minded initiatives, even more significant impacts are expected.



The Biopharmaceutical Industry: Improving Diversity & Inclusion in the Workforce

Appendix

Expanding Impact Through External Partnerships

Biopharmaceutical companies are working with a wide array of partners to implement D&I strategies and advance their goals of a more diverse and inclusive industry. These partnerships generally engage organizations focused on advocacy and civil rights, professional development, networking, and diversifying the STEM pipeline. Specific partners identified in the survey include:

Advocacy and Civil Rights Organizations

Below is a selection of Advocacy and Civil Rights organizations the biopharmaceutical industry is partnering with:

- **Congressional Black Caucus:** Legislative caucus comprised of most African American members of the United States Congress.
- **Congressional Hispanic Caucus:** Legislative caucuses comprised of Hispanic and Latinx lawmakers.
- Human Rights Campaign: Civil rights organization focused on improving the lives of lesbian, gay, bisexual, transgender, and queer people.
- National Association for the Advancement of Colored People (NAACP): Civil rights organization focused on securing systematic equality, eliminating race-based discrimination, and ensuring the health and well-being of all persons.
- National Gay and Lesbian Chamber of Commerce (NGLCC): Advocacy organization dedicated to expanding economic opportunities and advancements for LGBT people, and the exclusive certifying body for LGBT-owned businesses.
- National Minority Supplier Development Council (NMSDC): Corporate membership organization that connects certified minority-owned businesses to our vast network of corporate members who wish to purchase their products, services, and solutions.
- National Urban League: Advocacy organization which supports African Americans and others in underserved communities achieve their highest true social parity, economic self- reliance, power, and civil rights. The League promotes economic empowerment through education and job training, housing and community development, entrepreneurship, health, and quality of life

• **UNIDOS:** Advocacy organization focused on civic engagement, civil rights and immigration, education, workforce and the economy, health, and housing in Latinx communities.

Professional Development and Networking

Below is a selection of Professional Development and Networking organizations the biopharmaceutical industry is partnering with:

- Association for Women in Science (AWIS): Global network of 100,000 members focused on increasing participation and equity of women in STEM.
- **Ascend:** Nonprofit professional association that enables its members, corporate partners, and the community to realize the leadership potential of Pan-Asians in global corporations.
- **Catalyst:** Organization focused on research, tools, and proven solutions to accelerate and advance women into leadership positions and create more inclusive workplaces.
- **Disability:IN:** Nonprofit organization that provides resources for business disability inclusion worldwide, helping to inspire accessible innovation for all, and to foster cultures of inclusion.
- **Executive Leadership Council:** Organization focused on encouraging the development of black executives to positively impact business and communities.
- Healthcare Businesswomen's Association (HBA): Organization focused on furthering the advancement and impact of women in the business of healthcare.
- Hispanic Association for Corporate Responsibility (HACR): An influential advocacy group representing 14 national Hispanic organizations in the United States and Puerto Rico with a focus on advancing the inclusion of Hispanics in corporate America at a greater level.
- Home of the Brave: Campaign that works directly with Veterans Affairs Voluntary Service (VAVS) and corporate partners to provide employees and employers the opportunity to show their gratitude for veterans.
- **National Black MBA Association:** Nonprofit dedicated to enhancing and developing educational and economic empowerment for African Americans.
- National Sales Network/Black Sales Professionals: Membership organizations that seek to meet the professional and developmental needs of sales and sales management professionals and individuals.
- **Paradigm for Parity:** a collection of more than 100 companies dedicated to addressing the corporate leadership gender gap through the exchange of lessons learned, best practices, and new approaches to the topic.
- Women of Color in Pharma: A network of individuals in the pharmaceutical industry that offers a nurturing and safe environment to promote to promote personal and professional development.

• Working Mother: Organization that advocates for and provides information on the more than 17 million moms in the United States who are devoted to their families and committed to their careers.

Encouraging D&I Throughout the STEM Pipeline

Below is a selection of organizations that companies are engaging with to support D&I throughout the STEM pipeline:

- **Biomedical Science Careers Program:** Initiative focused on increasing diversity in all facets of science and medicine, primarily by identifying, informing, supporting, and providing mentoring for high-performing students.
- **College Diabetes Network:** Organization focused on providing young adults with T1D with peer connections and expert resources to successfully manage the challenging transitions to independence and college.
- **Community College Biotech Programs:** Efforts at community and technical colleges to build a skilled workforce through real-world training and essential skill development.
- Hispanics Inspiring Students' Performance and Achievement (HISPA): Organization that helps inspire Latino students' academic achievement by mobilizing Latino professionals to volunteer as active roles models in educational programs.
- **Hispanic Scholarship Fund:** An organization that empowers families with the knowledge and resources needed to complete a higher education, and provider of scholarships and support services to as many students as possible.
- **Hispanic-Serving Institutions (HSIs):** Institutions of higher education where Hispanic students account for more than 25% of total undergraduate enrollment.
- **Historically Black Colleges and Universities (HBCUs):** Institutions of higher education in the United States that were established before the Civil Rights Act of 1964 with the intention of primarily serving the Black community.
- **InRoads:** National organization delivering innovative programs and creative solutions that identify, accelerate, and elevate the development of underrepresented talent throughout their careers, especially through paid internships.
- **Posse Foundation:** Program that identifies students and veterans for their leadership and academic potential, provides pre-college training programs, services to ensure retention and success, and alumni connections.
- **Project Onramp:** Initiative to help underserved students start their careers in life sciences by matching them with paid summer internships of up to 12 weeks.

